

70C-6-301 Property insurance.

- (1) A creditor may not contract for or receive a separate charge for insurance against loss of or damage to property related to the credit transaction unless:
 - (a) the insurance covers a significant risk of loss of or damage to the property;
 - (b) the amount, terms, and conditions of the insurance are reasonable in relation to the character and value of the property insured or to be insured; and
 - (c) the term of the insurance is reasonable in relation to the terms of credit.
- (2) The term of insurance is reasonable if it is customary and does not extend substantially beyond a scheduled maturity.

Enacted by Chapter 159, 1985 General Session